

requiring certain financial guaranty reinsurance companies to keep certain assets in the State; allowing certain financial guaranty reinsurance companies to keep certain accounting records outside the State in certain situations; defining a certain term; providing for the effective date of certain provisions of this Act; providing for the future codification of certain provisions of this Act; and generally relating to the location of the office, assets, and accounting records of risk retention groups and risk retention groups and financial guaranty reinsurance companies.

BY repealing and reenacting, with amendments,

Article 48A - Insurance Code

Section 51

Annotated Code of Maryland

(1994 Replacement Volume and 1994 Supplement)

BY repealing and reenacting, with amendments,

Article - Insurance

Section 4-115

Annotated Code of Maryland

(As enacted by Chapter __ (H.B. 11) of the Acts of the General Assembly of 1995)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 48A - Insurance Code

51.

(1) IN THIS SECTION, "FINANCIAL GUARANTY REINSURANCE COMPANY" MEANS AN INSURER THAT DERIVES ~~ALL OF ITS DOMESTIC~~ AT LEAST 90 PERCENT OF ITS GROSS WRITTEN PREMIUM FROM THE BUSINESS OF FINANCIAL GUARANTY REINSURANCE.

[(1)](2) The Commissioner shall not grant or continue authority to engage in the insurance business in this State of any insurer when contrary to public interest or when the principal management personnel of which is found by him to be untrustworthy or not of good character, or so lacking in insurance company managerial experience as to make the proposed operation hazardous to the insurance-buying public or to its stockholders; or which he has good reason to believe is affiliated directly or indirectly through ownership, control, management, reinsurance transactions or other insurance or business relations, with any person or persons whose business operations, to the detriment of insureds, stockholders, or creditors are or have been marked by manipulation of assets, accounts, or reinsurance or by bad faith.

[(2)](3) (a) Except as provided in paragraph (b) of this subsection, a domestic insurance company may not move its home or executive office, except within the borders of this State, without notice to and approval of the Commissioner.